

## Atwood III – Questions & Answers

1.Q. *What do I have to submit to be considered in the lottery?*

A. Interested qualifying households must submit a pre-application postmarked no later than October 27, 2006.

2.Q. *What constitutes a qualifying household?*

A. Three to seven persons, regardless of age, who can document living in the household. They do not have to be related.

3.Q. *What income documentation do I have to submit with the pre-application?*

A. Pre-applications should include proof of your annual gross income. Valid documentation includes pay stubs from the previous two pay periods. A 2005 tax return, W-2 or a letter from your employer on its letterhead will also work.

4.Q. *What are the annual income limits?*

A. The income limits are set by the State of California and range in amount based on household size. The current amounts by household size are below:

<u>Size</u>	<u>Maximum Annual Income</u>
3	\$47,050
4	\$52,300
5	\$56,500
6	\$60,650
7	\$64,850

5.Q. *If my income goes up after I buy the house do I have to sell?*

A. No. Income qualification is as of the pre-application submittal deadline of October 27, 2006.

6.Q. *If I don't live and/or work in Placer County, will I be disqualified from the lottery?*

A. No, but priority is given to those who live and/or work in Placer County.

7.Q. *Do you have to be a First Time Homebuyer to apply for the lottery?*

A. No.

8.Q. Do I have to be present at the lottery drawing to win?

A. No. The Agency will notify all successful applicants within 3 business days of the lottery.

9.Q. *What if I am not selected?*

A. Some potential buyers in the first 15 may not qualify for the necessary loan, or may not have enough for down payment and closing costs. The Agency will continue to pull names to establish a waiting list. Everyone who is entered in the lottery will be ranked.

10.Q. *If I am selected for one of the 15 homes, what do I do next?*

A. You will meet with Morrison homes to go through the loan application process, document your down payment funds and take a homebuyer education class.

11.Q. *How much loan do I have to qualify for?*

A. All of the lottery homes cost approximately \$180,000. With a minimum down payment of \$5,400, the loan would need to be at least \$174,000.

12.Q. *If my income does not qualify me for a \$174,000 loan, but I have a larger down payment, can I still apply for the lottery?*

A. Yes.

13.Q. *Do I need anymore cash?*

A. Yes, you will need to pay an additional estimated \$3,000 to \$5,000 for closing costs. Final amounts will vary with applicant.

14.Q. *How soon do I need to put the down payment in a bank or financial institution account?*

A. When you are identified as a lottery winner, you must have your money in an account 3 months before you close escrow.

15.Q. *Are there any restrictions when I decide to sell my house?*

A. Yes. The seller must sell the home at a price that another low income household could qualify. The Agency has the first right of refusal to locate a qualifying household.

16.Q. *How big is the house?*

A. Each house is a single-story, 1200 sq. ft. 3 bedroom, two bath.

17.Q. *Are there models to look at?*

A. No.

18.Q. *Will Morrison Homes make interior upgrades available?*

A. This will be determined by Morrison at a later date. However, if so it will require extra payment from the homebuyer above the minimum down payment.

19.Q. *Where can I get the pre-application and guidelines?*

A. On the Placer County Website ([www.placer.ca.gov](http://www.placer.ca.gov)) or by calling 530-745-3170. Applications and information packets are also available in the lobby of the Community Development Resources Center located at: 3091 County Center Drive, Auburn, CA.

20.Q. Will there be a list for those people who do not qualify for the lottery?

A. Your name will be added to our interest list.

21.Q. When will we be notified if we qualify for the lottery?

A. Approximately Nov. 13, 2006.

22.Q. Will the quality of homes be different than the Market Rate Homes?

A. Your home will be smaller in size, but similar in quality and design. These homes will be scattered throughout the subdivision.

23.Q. Will everyone who is pre-eligible be included in the Lottery?

A. Yes!

24.Q. Does a household with two adults and one child qualify?

A. Yes, that is a 3 person household!

25.Q. I am self-employed. How do I report my income?

A. You report it in the same way you report to IRS.

26.Q. If my name is chosen for the lottery, how soon do I need to put the money in a special account?

A. You need to have the money in your account 3 months before the house is completed. (First Phase will be completed April 2007)

27.Q. Can the minimum down payment be from a loan?

A. No.

28.Q. Can my down payment come from my 401K?

A. Yes. It still has to be transferred to a separate account, net of any penalties or fees.

29.Q. Whose income has to be included?

- A.   1. All person who are on title  
      2. All persons who live in the household.